

AMENDED IN ASSEMBLY APRIL 23, 1997
AMENDED IN ASSEMBLY APRIL 9, 1997
AMENDED IN ASSEMBLY MARCH 31, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 1233

Introduced by Assembly Member Granlund
(Coauthor: Assembly Member Prenter)
(Coauthors: Senators Alpert, Costa, and Rainey)

February 28, 1997

An act to add ~~Sections 101.5 and 9005.5~~ *Section 101.5* to the Elections Code, and to add Section 84200.12 to the Government Code, relating to statewide initiatives.

LEGISLATIVE COUNSEL'S DIGEST

AB 1233, as amended, Granlund. Statewide initiative campaigns.

Existing law requires that a state or local initiative petition contain a printed notice, as specified, that the petition may be circulated by a paid signature gatherer or a volunteer and that the signer has a right to ask.

This bill would further require any circulator who receives compensation in exchange for the collection of signatures on a statewide initiative petition to inform each potential signer of the facts that he or she is being paid and the amount and by whom he or she is being paid to gather signatures to qualify the measure for the statewide ballot.

~~Existing law requires the Attorney General to prepare a summary and title of the chief purposes and points of a proposed statewide initiative measure, and to provide a copy to the Secretary of State. If the Attorney General determines that a proposed measure would affect state or local revenues, he or she must include in the title and summary the estimate of the amount or an opinion whether the measure would cause a substantial net change in state or local revenues. It requires the Joint Legislative Budget Committee and the Department of Finance, jointly, to prepare these estimates at the request of the Attorney General.~~

~~This bill would, in addition, require the Attorney General to determine whether it would serve the public interest to have a legal opinion on the constitutional validity of the proposed measure, or any part thereof, prepared prior to its circulation for signatures. If so, it would require the Attorney General to transmit a copy of the proposed measure to the Legislative Counsel together with a request for the preparation of a legal opinion on the constitutional validity of the proposed measure, or any part thereof. It would require the Legislative Counsel to prepare and deliver the legal opinion to the Attorney General within specified time periods, and would require the Attorney General to include in the title and summary of the proposed measure the conclusions reached by the Legislative Counsel. It would require the Attorney General to transmit a copy of the legal opinion prepared by the Legislative Counsel to the Secretary of State. The bill would require the Secretary of State to provide a copy of the opinion to any person upon request.~~

Existing provisions of the Political Reform Act of 1974 require the filing of various campaign statements by committees formed primarily to support or oppose a single candidate or measure or 2 or more measures being voted upon at the same election, and by general purpose committees formed primarily to support more than one candidate or measure. Committees are required to file semiannual, preelection, and late contribution statements, among others, as specified.

This bill would require a committee formed primarily to support or oppose the passage, qualification, or defeat of a

state ballot measure, and a state general purpose committee, to file a campaign statement not later than 5 days after the official summary date of a proposed initiative measure, for the period commencing 90 days prior to the official summary date. It would authorize the Fair Political Practices Commission, by regulation, to permit the filing of a short form statement with any other statement in order to avoid duplication of this statement.

Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

This bill would impose a state-mandated local program by imposing these penalties on persons who violate the provisions of this bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that specified provisions further the purposes of the Political Reform Act of 1974, would therefore require a $\frac{2}{3}$ vote.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares as
2 follows:

3 (a) At the November 5, 1996, statewide general
4 election, industry groups raised and spent a combined
5 amount of more than \$45 million to support or oppose
6 Proposition 211, a statewide initiative measure relating to
7 securities fraud, making it the most expensive single
8 initiative campaign in the state's history. These amounts
9 overshadow the previous record of \$37.8 million spent on

1 Proposition 104 in 1988, a no fault auto insurance initiative
2 measure. However, the total amounts raised and spent in
3 1988 over five competing insurance initiatives by special
4 interest groups exceeded \$100 million.

5 (b) The vast sums of money that are raised and spent
6 without limitation by interest groups to support or oppose
7 initiative measures they deem beneficial or detrimental
8 to their particular interests has established the perception
9 in the mind of the electorate that the state's initiative
10 process, originally adopted as a means of breaking the
11 grip of special interests on the state's public policymaking
12 process, has itself been captured by special interests. This
13 perception, whether or not factually correct, has created
14 mistrust of individual initiative measures and of the
15 initiative process itself, once enshrined as one of the most
16 precious rights of the democratic process and now
17 increasingly seen as a tool of powerful interests. In the
18 absence of any regulation of fundraising and spending by
19 initiative committees, future campaigns on state
20 initiative measures could skyrocket into such
21 astronomical sums that public confidence in the initiative
22 process, and by extension, the electoral system, could be
23 seriously eroded.

24 (c) There also exists a need to require more timely
25 filing of campaign statements by special interest groups
26 backing or opposing initiative measures, thereby serving
27 the public's need for information to properly evaluate
28 statewide initiative campaigns. However, the filing of
29 campaign statements, by itself, is not a cure to the
30 problems created by unregulated initiative campaign
31 spending. Disclosure of relevant information on interest
32 groups supporting or opposing a statewide initiative
33 measure at the time the measure commences circulation
34 for signatures will enable the public to assess better the
35 significance of the initiative campaign and the proposed
36 measure.

37 ~~(d) In addition, there exists a need to establish~~
38 ~~reasonable controls on payments to statewide initiative~~
39 ~~petition circulators to reduce the incentive created by~~
40 ~~potentially large financial compensation to submit invalid~~

1 ~~signatures on petitions, and to address the public's~~
2 ~~perception that, but for excessive spending on the~~
3 ~~collection of signatures, certain initiative measures would~~
4 ~~not qualify for the statewide ballot. Furthermore,~~

5 *(d) Furthermore,* additional requirements, such as
6 verbal disclosure by circulators of receipt of payment for
7 collection of signatures, ~~higher thresholds in the number~~
8 ~~of signatures required to qualify statewide initiative~~
9 ~~petitions for the ballot, and legal analysis of certain~~
10 ~~proposed statewide initiative measures~~ *signatures*, will
11 establish additional safeguards and provide additional
12 needed information to the electorate, thereby creating a
13 greater degree of confidence in the statewide initiative
14 process.

15 SEC. 2. Section 101.5 is added to the Elections Code,
16 to read:

17 101.5. In addition to the requirements of Section 101,
18 any circulator who receives compensation in exchange
19 for the collection of signatures on a statewide initiative
20 petition shall, immediately prior to obtaining each
21 signature, inform each potential signer of the facts that he
22 or she is being paid and the amount and by whom he or
23 she is being paid to gather signatures to qualify the
24 measure for the statewide ballot.

25 ~~SEC. 3. Section 9005.5 is added to the Elections Code,~~
26 ~~to read:~~

27 ~~9005.5. In preparing a title and summary of a~~
28 ~~proposed measure, the Attorney General shall determine~~
29 ~~whether it would serve the public interest to have a legal~~
30 ~~opinion on the constitutional validity of the proposed~~
31 ~~measure, or any part thereof, prepared prior to its~~
32 ~~circulation for signatures. If the Attorney General~~
33 ~~determines that the public interest would be served~~
34 ~~thereby, he or she shall transmit a copy of the proposed~~
35 ~~measure to the Legislative Counsel together with a~~
36 ~~request for the preparation of a legal opinion on the~~
37 ~~constitutional validity of the proposed measure, or any~~
38 ~~part thereof.~~

39 ~~The Legislative Counsel shall prepare and deliver the~~
40 ~~legal opinion to the Attorney General within 30 working~~

~~1 days from the date of the receipt of the final version of the
2 proposed measure from the Attorney General, unless the
3 Legislative Counsel determines that a legal opinion
4 cannot be prepared within the 30 day period, in which
5 case an additional five working days shall be allotted for
6 the preparation and delivery of the legal opinion. The
7 Attorney General shall include in the title and summary
8 of the proposed measure the conclusions reached by the
9 Legislative Counsel. The Attorney General shall transmit
10 a copy of the legal opinion prepared by the Legislative
11 Counsel to the Secretary of State, who shall provide a
12 copy to any person upon request.~~

~~13 SEC. 4.—~~

14 SEC. 3. Section 84200.12 is added to the Government
15 Code, to read:

16 84200.12. In addition to the campaign statements
17 required by Sections 84200, 84200.5, and any other
18 provision of this article, a committee formed primarily to
19 support or oppose the passage, qualification, or defeat of
20 a state ballot measure, and a state general purpose
21 committee, shall file a campaign statement not later than
22 five days after the official summary date of a proposed
23 initiative measure, as defined in Section 336 of the
24 Elections Code, for the period commencing 90 days prior
25 to the official summary date. To the extent that the
26 information on this campaign statement would be
27 duplicated on any other statement required to be filed by
28 this article, the commission may by regulation permit a
29 short form statement to be filed with any other statement
30 in order to avoid duplication of this statement.

~~31 SEC. 5.—~~

32 SEC. 4. No reimbursement is required by this act
33 pursuant to Section 6 of Article XIII B of the California
34 Constitution because the only costs that may be incurred
35 by a local agency or school district will be incurred
36 because this act creates a new crime or infraction,
37 eliminates a crime or infraction, or changes the penalty
38 for a crime or infraction, within the meaning of Section
39 17556 of the Government Code, or changes the definition

1 of a crime within the meaning of Section 6 of Article
2 XIII B of the California Constitution.

3 Notwithstanding Section 17580 of the Government
4 Code, unless otherwise specified, the provisions of this act
5 shall become operative on the same date that the act
6 takes effect pursuant to the California Constitution.

7 ~~SEC. 6.—~~

8 *SEC. 5.* The Legislature finds and declares that the
9 provisions of Section ~~5~~ 3 of this act furthers the purposes
10 of the Political Reform Act of 1974 within the meaning of
11 subdivision (a) of Section 81012 of the Government Code.

